

# Fiscal Note

*Fiscal Services Division*



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**HF 2418** – Guardianship Assistance Program, Permanency for Foster Care Youth (LSB5813HV)  
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## **Description**

**House File 2418** expands foster care subsidy eligibility to any adult person who is the grandparent or other relative of a child. The relative of the child must be a licensed foster family home provider, and the child must live with the home provider for a period of at least six months prior to the relative applying for guardianship assistance. The Department of Human Services (DHS) administrative rules (Iowa Administrative Code section 441, [chapter 204](#)) currently limit foster care subsidies to adult persons not related to the foster child.

## **Background**

Title IV-E of the Social Security Act, which is the largest federal funding stream for child welfare activities, covers the Foster Care, Adoption Assistance, and Guardianship Assistance programs, and the Chafee Foster Care Independence Program. The Title IV-E Guardianship Assistance Program reimburses states for guardianship expenditures in three categories:

- Payments to relative guardians
- Placement activities and other administrative activities related to guardianship
- Non-recurring guardianship expenses
- Training for public and private child welfare agency staff, prospective and current guardians, and court personnel working with Title IV-E eligible children

## **Assumptions**

- Federal Title IV-E funding can be used for expenses associated with the state Guardianship Assistance Program.
- 55.6% of children in the program would be eligible for Title IV-E funds through the Title IV-E Guardianship Assistance Program.
- The costs in the first year of implementation would cover licensure training for guardians and foster care payments. The issuance of subsidized guardianship payments would begin in the second year, as children exit the foster care program and move into subsidized guardianship.
- The per diem rate is \$23.31.
- The FMAP rate is 56.28%.
- There will be an average of 2 children per family in the program.
- Costs will increase for the first 10 years, and then will level off as children age out of the program. Eligibility ends when the child turns 18 years of age.

## **Fiscal Impact**

This bill is anticipated to increase General Fund expenditures by \$370,000 in FY 2017 and \$2.8 million in FY 2018, which is when subsidized guardianship payments will start. The cost to the General Fund will be approximately \$12.0 million by FY 2026, and then will stabilize as children age out of the program. Details of the increases are below:

### Estimated Fiscal Impact of HF 2418

|                                 | 2017              | 2018               | 2019               | 2020               | 2021               |
|---------------------------------|-------------------|--------------------|--------------------|--------------------|--------------------|
| Number of Cases                 | 200               | 200                | 400                | 600                | 800                |
| Total Program Cost              | \$1,231,930       | \$3,796,972        | \$5,498,602        | \$7,200,232        | \$8,901,862        |
| IV-E Federal Share              | \$ 861,153        | \$ 937,972         | \$1,736,492        | \$2,270,302        | \$2,804,111        |
| <b>State General Fund Share</b> | <b>\$ 370,777</b> | <b>\$2,859,000</b> | <b>\$3,762,110</b> | <b>\$4,929,930</b> | <b>\$6,097,751</b> |

#### **Sources**

Department of Human Services Data  
LSA analysis and calculations

/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the LSA upon request.

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